

LHV Persian Gulf Fund

31-Jan-17

Monthly Return 0.51%
NAV of share 11.3968 EUR
Fund Size EUR 12 695 628
LHV Asset Management 991 526 025 EUR
Share price movement (last 36 months)

Fund Manager's Comment



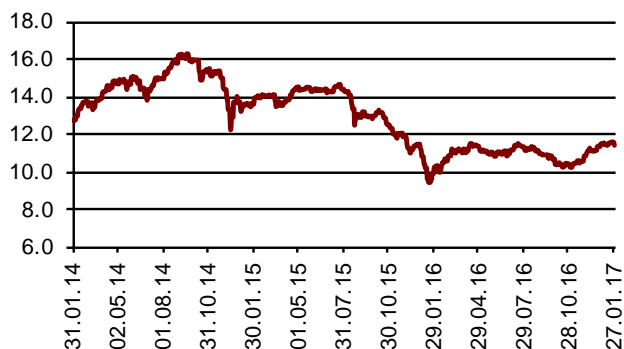
Joel Kukemelk



In January LHV Persian Gulf Fund increased by +0.5%. Overwhelmingly strongest market in January was Kuwait which rose on the back of frontier market inflows by +13.9% (MSCI index, local currency, net) and weakest was Oman that decreased by -2.1%.

In the beginning of 2017 Saudi Arabia confirmed that they are moving from T+0 settlement cycle to internationally accepted T+2 already in this year's second quarter. This is an important factor that MSCI takes into account when deciding in May whether or not to add Saudi Arabia to MSCI Emerging Markets watch list – should they decide to add Saudi Arabia already this year then this would be a positive surprise and an important catalyst for the GCC region.

GCC countries have just finished publishing their 2017 budgets. Comparing to last year budgeted expenditures are in the range of -2% (Qatar) and +6% (Saudi Arabia) meaning that governments don't expect to cut their expenditures anymore and this helps to improve the local economic environment. As of end of January fund's single investments' portfolio trades at just 10.3x 12 month estimated P/E, 1.1x trailing P/B and offers 4.2% dividend yield.



Investment Objective

LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.

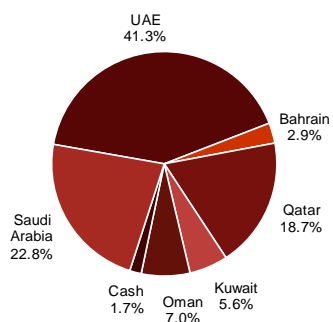
Morningstar Rating 5 Year



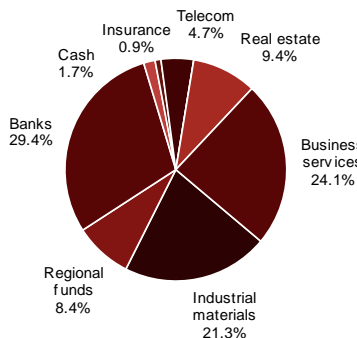
Historical Returns*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	0.51%	15.17%	-10.32%	-9.09%	-2.58%	9.17%	0.51%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Dubai Islamic Bank	9.16%
EFG-Hermes Saudi Arabia Equity	8.43%
Ras Al Khaimah Ceramics	8.34%
Sipchem	7.04%
Bank Muscat	6.97%
Emaar Properties	6.64%
Agility Public Warehousing	4.87%
Qatar Fuel Company	4.84%
Fawaz Abdulaziz Alhokair	4.48%
Union National Bank	4.37%
Value of top 10 Investments	65%
Total Number of Investments	24

Fund Details

Type:	eurofund (SICAV, UCITS IV)	Depository:	Swedbank AB (publ) Luxembourg Branch
ISIN of share:	LU1138349862	Issue and Redemption Fee:	0%
Registrar of share:	Swedbank AB (publ) Luxembourg Branch	Investment Management Fee:	1.75%
Fund Manager:	Joel Kukemelk	Launched:	2/13/2008, re-domiciled 4/13/2015

*The fund's historical performance does not promise or offer any indications regarding future performance. The performance chart shows the performance of the LHV Persian Gulf Fund - Class A Unit (EE3600095287) until the merger of LHV Persian Gulf Fund into the SEF-LHV Persian Gulf Fund on 2015-04-13 and since then the performance of the SEF- LHV Persian Gulf Fund Share (LU1138349862).

Information presented herein should not be interpreted as investment advice, investment recommendation or any other investment or ancillary service.

Please refer to the prospectus and the key investor information and ask for additional information lhv.ee/persian.

Source & Copyright: CITYWIRE. AS LHV Varahaldus are bronze rated by Citywire for rolling risk adjusted performance, across all management teams in the Equity-Middle East and North Africa sector, over the period 30/06/2009 - 30/06/2016.

Historical annual average performance figures are geometrical averages based on last calendar years.